

29 NOV 1957

MEMORANDUM FOR: Chief, SR Division

ATTENTION

[

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Case Officer

FROM : Deputy Chief, TAS/Office of the Comptroller

SUBJECT : Charge-Off of Assets - Proprietary Projects  
Project AERODYNAMIC

1. In order that the Agency may have detailed information regarding the charge-off of assets in proprietary projects it is requested that you take the necessary action to implement effective December 1, 1957 the changes in the accounting and reporting procedure described in paragraph 3 of this memorandum

2. The charge-off of assets on the books of proprietary entities, which include but are not limited to shortages and losses, uncollectible accounts and advances are accomplished through the inherent delegation of authority to management of the entity, except in cases involving staff personnel assigned to the projects. Such charge-offs are subject to (a) review and approval by the approving officer and (b) review by the Audit Staff.

3. In order that the charge-off of assets be properly reflected in the accounts and financial reports it is requested that you instruct the cover activity under the project to (1) establish in their present accounting system two accounts, one titled "Uncollectible Accounts and Advances", the other titled, "Losses of Other Assets"; and (2) attach to their periodic financial report a schedule, which shall contain all the pertinent data and the full justification of each charge-off recorded during the period. The account "Losses of Other Assets", shall include but is not limited to the following:

1. Cash shortages
2. Theft of cash or other property
3. Loss due to fraud
4. Loss on sale of assets
5. Loss on abandonment of assets
6. Casualty losses

4. This request is not applicable to projects in liquidation as such losses will be reported in the "Final Statement of Liquidation" of each project.

5. This Staff upon request will provide advice and assistance in establishing the accounts and reporting procedure.

DECLASSIFIED AND RELEASED BY  
CENTRAL INTELLIGENCE AGENCY  
SOURCE METHOD EXEMPTION 3B2B  
NAZI WAR CRIMES DISCLOSURE ACT  
DATE 2007

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